

# PRIVATIZATION POLICY BOARD

## Mission Statement

The legislation establishing the Privatization Policy Board gives the Board two responsibilities: [See U.C.A. 63-55a-3.(1)]

- **Study and consider privatization issues related to state agencies.** This includes reviewing whether or not certain services provided by existing state agencies could be privatized to provide the same type and quality of service at less cost. The Board may be proactive in studying services currently being provided by state agencies and, the statute specifically states that the Board shall review specific requests for privatization and consider issues relating to “unfair competition” with the private sector.
- **Make recommendations to state agencies and the legislature regarding the privatization of services.** The statute defines privatization as “action by a state agency to contract with the private sector or another state agency to perform functions or services...” [U.C.A. 63-55a-1.(3)]

Accordingly, the Privatization Policy Board will focus its attention on issues relating to privatization that involve agencies of state government. To accomplish its statutory responsibilities, the Board adopts the following methods of operation:

- **The Board will adopt a list of specific areas for study.** The list will focus on specific services currently being provided by state agencies either directly or by contract. Items on the list will be ranked in priority, and each item will be considered accordingly. Once the list is adopted the Board may, by a two-thirds vote, change the priority of any study item. New items may be added at any of the meetings of the board by a majority vote. New items will be added at the bottom of the list unless a higher priority is authorized by approval of two-thirds of the Board. The list will be available to the public.
- In considering each item on the list, **the Board will seek input from all interested parties.**
- **The Board will provide a forum for citizens and the private sector to raise issues and concerns related to privatization and “unfair competition” by state agencies with the private sector.** Such issues will then be considered for inclusion on the Board’s study list (see paragraph A). Time for public input will be made available on the agenda of the Board’s regular meetings or, if necessary,

one or more public hearings will be held by the Board in order to provide an ample opportunity for public comment.

- In considering each item on the study list, **the Board will use the following general criteria in determining the merit of privatization**

Privatization Is Desirable When:

1. It is likely to reduce cost to the taxpayers.
2. Services are readily available from several competing private for profit companies or other organizations.
3. It is likely to improve the efficiency or quality of the service being provided.
4. Sufficient controls are in place to protect the public from incompetence misuse of funds, and to ensure the integrity of the contracting and procurement process to provide for fair competition in securing government contract.
5. It eliminates or reduces unfair competition with the private sector.

Privatization is Undesirable When:

1. It is likely to diminish the quality of service being provided.
  2. It will increase costs to the taxpayers (taking into account overhead, taxes, and other costs that may not be easily comparable.)
  3. It hampers the ability of state agencies to perform their statutory missions.
  4. There is a lack of other alternatives in providing the service, and it would result in reliance on a single source.
  5. Sufficient controls cannot be established to ensure protection of the public interest, the use of funds, etc.
- The Board will publish an annual report to the Legislature, the Governor, and the public summarizing its activities and recommendations.

**Adopted November 30, 1989**